POLESTAR
Insurance Company

# Annual Report 2022

**What we strive for:**
**Remaining loyal to our commitment to become the preferred company by providing our customers and partners with Attentive, Agile & Accurate services closely followed by tangible benefits.**

# Contents


| | |
|---|---|
| STATEMENT | 1 |
| FINANCIAL HIGHLIGHTS | 2 |
| MESSAGE FROM THE CEO | 4 |
| OPERATIONAL PERFORMANCE | 6 |
| CORPORATE PROFILE | 11 |
| Principal Activities | 12 |
| Insurance Products | 12 |
| Reinsurance Protection | 15 |
| Distribution Network of Insurance Services | 16 |
| Structure and Personnel | 16 |
| HUMAN RESOURCES | 17 |
| FINANCIAL STATEMENTS | 19 |
| Statement of Financial Position | 20 |
| Statement of Income | 21 |
| Statement of Changes in Equity | 22 |
| Statement of Cash Flows | 23 |
| AUDITOR'S REPORT | 24 |

# STATEMENT

## Vision

To become a capable and professional leading underwriter recognized for its professionalism, integrity and innovation, making the local market as its home ground with credible and quality service.

## Mission

To provide a package of insurance services at the level of international standards to protect interests of our clients.

## Primary Goal

To always make the right choices in terms of productivity, risk selection, and pricing.

## Core Value

| | |
|---|---|
| **P**rofessionalism | : Priority to qualification |
| **O**bligation | : Delivering our promises |
| **L**oyalty | : Everything for clients |
| **E**fficiency | : Choice of reasonable proposal |
| **S**pecialization | : Pursuing greater heights |
| **T**ransparency | : Brilliance is our name |
| **A**ccountability | : Honoring our responsibility |
| **R**eliability | : Maintenance of clients' trust |

## Business Attitude

Aspiration for greater successes
Technological innovation
Fresh idea & Approach

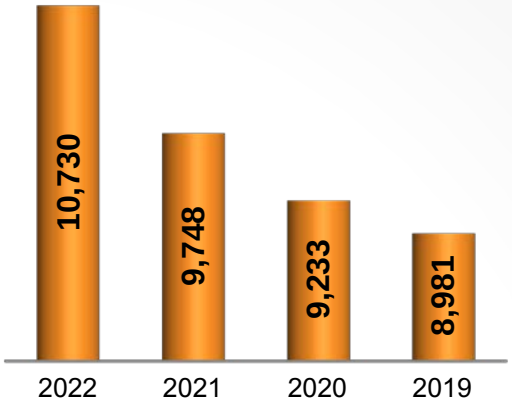
# Financial Highlights



**Total Asset**

10,730

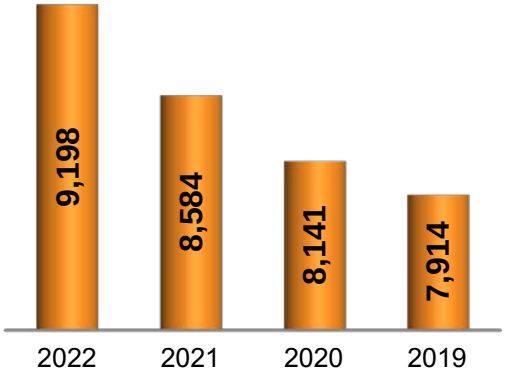
**KPW Million**




**Total Equity**

9,198

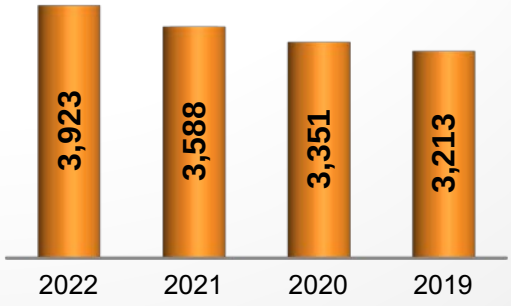
**KPW Million**




**Gross Premium Written**

3,923

**KPW Million**

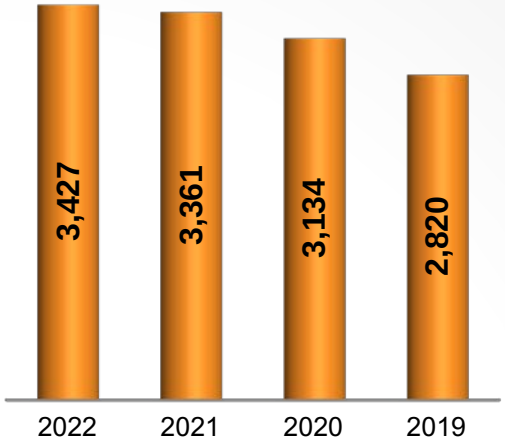


# Financial Highlights

**Net Earned Premium**

3,427

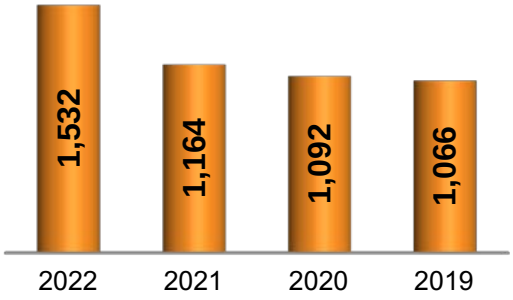
**KPW Million**




**Total Liability**

1,532

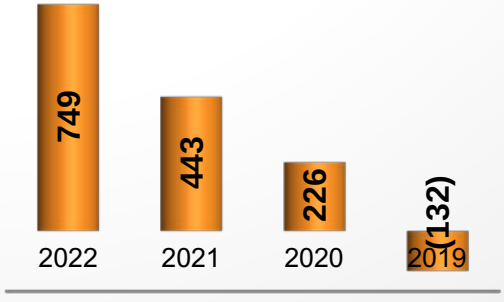
**KPW Million**




**Net Profit**

749

**KPW Million**



# Message from the CEO



Dear Ladies and Gentlemen,

On behalf of Polestar Insurance Company, I am pleased to present the Annual Report of the Company for 2022 with the Financial Statements as of 31st December 2022.

The year 2022 was a year of significant achievement in the economic construction and improvement of the people's livelihood in our country.

The most noteworthy successes were made in the construction section including the outstanding accomplishments in the Hwasong area and the Ryonpho area which came to symbolize the people's struggle throughout the year. In addition, they completed a lot of objects of critical importance in developing the national economy and improving the people's living standards.

We witnessed a bold step forward in the struggle to realize the Party's new policy on rural reconstruction in which a number of model dwelling houses were built in every city and county in accordance with the requirement of new era.

Particular efforts were also directed to improving the economic management, fostering the national ability to cope with epidemic disease and updating the cultural standard across the country.

The Company achieved a significant growth in business with net profit (before payment to state) boosted to KPW 999 million last year compared to KPW 633 million in 2021.

During the year under review, the gross premium written amounted to KPW 3,923 million which is a 9.3% higher than KPW 3,588 million in the previous year.

The net profit increased by 69% from KPW 443 million in 2021 to KPW 749 million.

The claims paid totaled KPW 2,207 million in 2022, which showed a 16.4% decline when compared to the previous year while the loss ratio decreased to 60.95% from 75.84% in 2021.

Having adopted it as a duty to make claim payments fully and timely to its policyholders, the Company attained this goal once again last year.

The total equity brought about a slight increase to KPW 9,198 million from KPW 8,584 million in the preceding year.

The total assets recorded a 10% rise to KPW 10,730 million from KPW 9,748 million in 2021.

The Company remained loyal to the customer-oriented attitude integrity in its insurance contracts and indemnity over the past year, thereby expanding the number of customers and improving the Company's brand image.

The Company took an active part in the on-line international conferences on insurance and reinsurance to identify the global trends in insurance and reinsurance and take advantage of them to grow business as well as to strengthen cooperation with the insurance and reinsurance companies worldwide.

In order to keep up with the latest technical developments, the Company coordinated the intranet system between the head office and the branch offices.

We also made sure that all the members of staff took part in various training programs to improve their professional knowledge in accordance with the Company's plans to help everyone work on their own with professionalism and rich experience.

All the achievements we made last year are a testimony to the Company's quality service and high rank as a major provider of insurance in the domestic market.

The Company intends to ensure the continuous growth of premium income through market expansion, rational management and innovative approach to insurance service.

Moreover, we will make the current intranet system more comprehensive and substantiate our development on the strength of science and technology, which we believe will help improve further scientific accuracy, correctness and promptness of insurance business.

Summing up the overall performance of the Company's annual activities, I, on behalf of the Executive Committee of Management, wish to acknowledge the support of all our business partners and clients at home and abroad for the progress and development of the Company all year round.

I would also like to send my best wishes to the Company's management and staff members for their dedication to the job which contributed to the magnificent performance of the Company and look forward to further success in the years ahead.

Kim Kyong Hun

CEO, Polestar Insurance Company

# Operational Performance



In 2022, the gross premium written recorded a 9.3% growth to reach KPW 3,923 million.

The overall steady growth was largely driven by the development of fire insurance and engineering insurance.

The Company has steadfastly maintained two strategies of careful risk selection and cautious pricing.

As a result, all lines of business continued their positive contribution to the overall underwriting results.

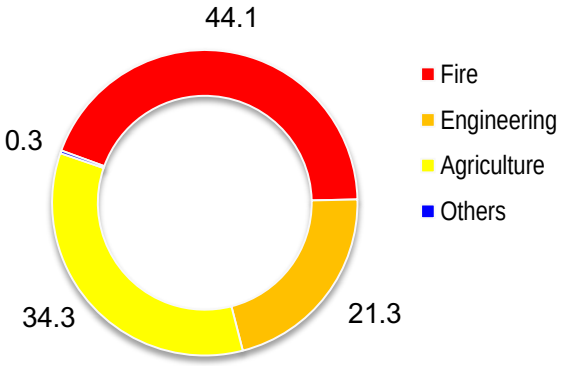
The year 2022 was also characterized by a decrease in the claims paid.

The gross claims paid decreased by 16.3% to KPW 2,207 million last year from KPW 2,637 million in 2021.

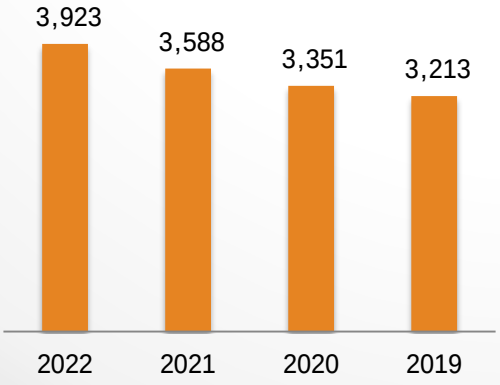
Thus, the loss ratio went down to 60.9% against 75.8% in the preceding year, representing a 14.9% decline year-on-year.

**Gross Premium Written by class** (%)

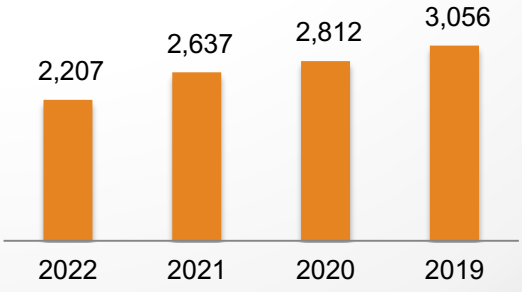
In terms of gross premium written, fire insurance takes the lion's share, accounting for 44.1% of the Company's portfolio and this is followed by agriculture, engineering, credit and travel insurances.




**Premium Income (KPW mn)**




**Loss Paid (KPW mn)**



## Fire Insurance

Fire insurance is the largest line of the Company's portfolio.

The Company develops fire insurance programs taking into account the specific features of operation, type of properties and demand of clients.

We catered for our customers' needs for fire insurance with tailor-made solutions to protect their business features, properties and tried to raise the public awareness of insurance, thus resulting in an 8.9% rise of number of policyholders.

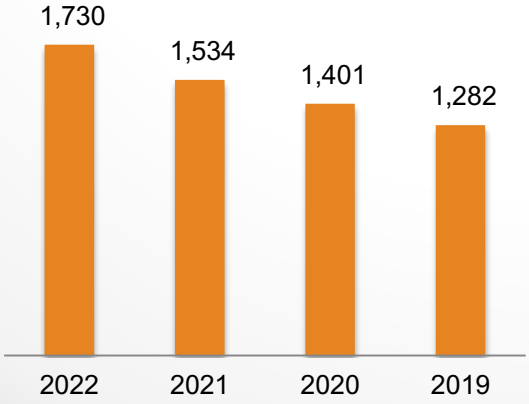
Fire account ended the year with gross premium written of KPW 1,730 million, representing double digit growth of 12.8% from KPW 1,534 million in 2021.

Thanks to a fall in the occurrence of claims against the year 2021, the claims paid came up to KPW 991 million, indicating an improvement of 1% from KPW 981 million in the previous year.

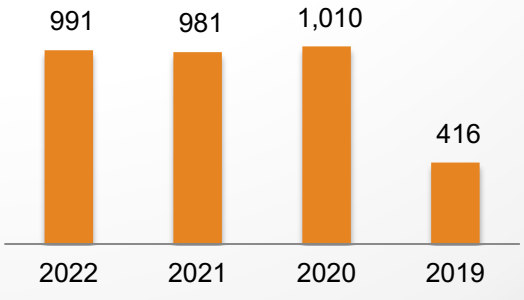
The loss ratio was reduced by 6.7% to 57.3% in 2022 from 64.1% in 2021.

These are attributable to the fact that we helped the insureds take stricter measures than ever on risk management for loss prevention.

**Premium Income (KPW mn)**




**Loss Paid (KPW mn)**



## Engineering Insurance

The growth of engineering insurance was driven by the national infrastructure construction plans in 2022.

The various sectors of the economy directed efforts towards increasing production capacity by localization and re-use of raw materials and through modernization and reinforcement of necessary production processes.

The demand for engineering insurance continued to rise in recent years because a lot of construction projects have been in full swing in the country.

In contrast to other types of insurance, the value and risk of the insured subjects became enlarged as the construction work got under way, and umbrella cover was inclusive of risks and hazards of all sorts.

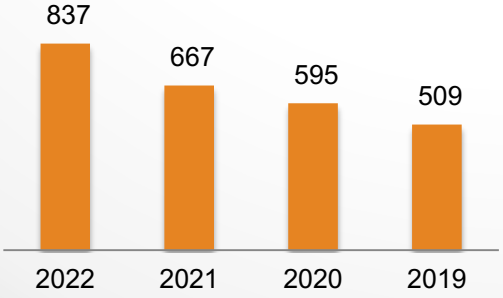
In keeping with this, the Company made efforts to put risk management by different types of risks on a more scientific and modern basis.

The Company carried out a detailed risk survey of the highly volatile objects and accordingly increased the number of the insureds.

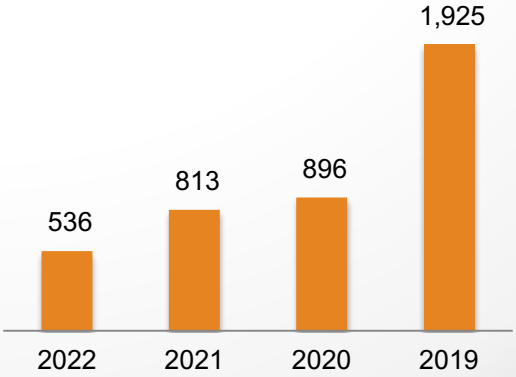
The premium volume of engineering insurance attained a high of KPW 837 million in 2022 which was an upsurge of 25.5% from KPW 667 million in 2021.

The claims paid shrank astonishingly by 34% year-on-year to KPW 536 million and therefore the loss ratio fell down even to 71.9% from 128.9% in the previous year.

**Premium Income (KPW mn)**




**Loss Paid (KPW mn)**



## Agriculture Insurance

Our country exerted more efforts to increase the arable land such as reclamation of tideland and finding new land in keeping with the limited cultivated field and promoted wheat and barley farming strongly last year.

Furthermore, they not only employed scientific farming systems and methods to overcome the disastrous consequences in the aftermath of abnormal weather conditions, pushing ahead with the green revolution but also struggled to enrich the low-yielding farmland.

The State took measures to expand the farmland for wheat and barley last year, so that the Company was busy preparing to insure wheat and barley crops more actively in support of the sustainable development of agriculture insurance.

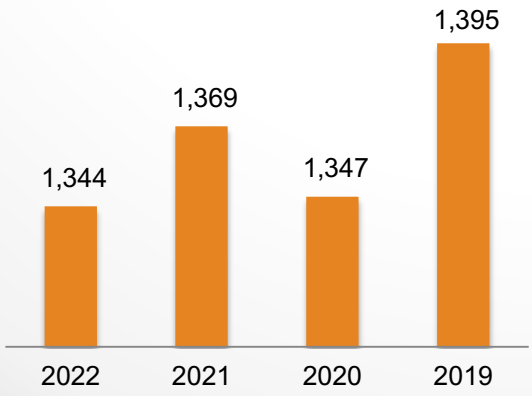
The Company gained a better understanding of the potential risks and conditions of growth with regard to wheat and barley crops and tried to make it a profitable business by in close contact with the Central Agricultural Risks Association (CARA) as well as the cultivated farms.

Nonetheless, the premium income of agriculture insurance came down by 1.9% to KPW 1,344 million in 2022 when compared to KPW 1,369 million in 2021.

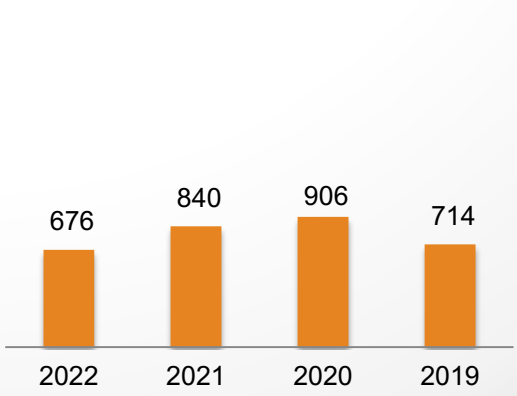
Agriculture insurance incurred a payout of indemnification of KPW 676 million, representing a significant reduction of 24.2% from KPW 840 million in 2021.

The loss ratio diminished to 50.3% from 61.3% in the preceding year.

**Premium Income (KPW mn)**




**Loss Paid (KPW mn)**



## Others

Credit insurance and travel insurance constitute the portfolio of the Company.

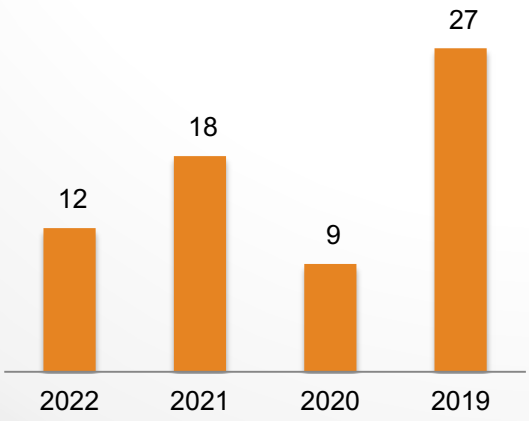
The State adopted the super-emergency anti-epidemic measures for the third straight years of global health crisis and especially, the people waged a nationwide struggle to fight with COVID-19 and won victory in a short span of time after sudden inflow of the virus into our territory, resulting in a dramatic upsurge in anti-epidemic and a transition to a tense normal anti-epidemic system.

Further, thanks to the growing public awareness about anti-epidemic crisis and the scientific disinfection methods, the volume of transport in the domestic cargo market as well as import and export cargoes boosted as compared to the previous year.

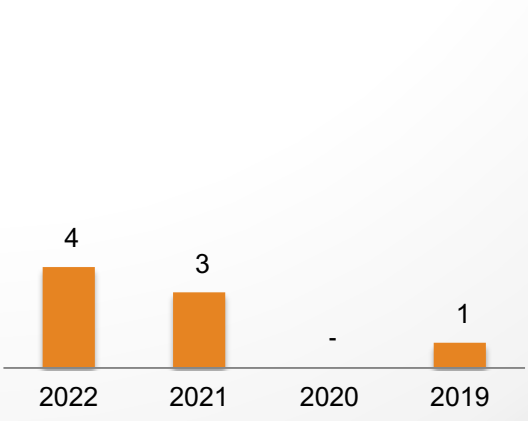
There was an increasing tendency for credit insurance to grow the number of policies and written premiums accordingly.

Despite all our efforts, the gross premiums written in other classes of business plummeted by 36% from KPW 17.9 million in 2021 to KPW 12 million last year.

**Premium Income (KPW mn)**




**Loss Paid (KPW mn)**



# CORPORATE PROFILE

## Principal Activities

Polestar Insurance Company was established on 22nd August 2016.

It is engaged in non-life insurance business including fire, agriculture, engineering, credit and travel insurance, and reinsurance.

Both corporate and individual customers benefit from our non-life insurance products.

## Insurance Products

### Fire Insurance

Damage to or loss of property may radically deteriorate the economic status of any institution.

Fire insurance is by far the most essential insurance product which is highly appreciated by most economic entities and has the largest market share.

Fire insurance is comprised of three policies such as fire insurance policy, business interruption policy and industrial all-risk policy.

Each policy will indemnify the loss caused by the inherent risks covered including material damage and loss of profit resulting from fire, explosion, lightning and natural catastrophes.

With fire insurance policies, every insured is entitled to live and work in happiness and peace.

The Company's task is to pursue the principles of prevention and rigorous risk assessment in this strategically significant line of business.

In line with the steady growth of the national economy and development of the entities, the Company will play a leading role in providing adequate cover and expert risk advice.

## Engineering Insurance

Engineering insurance includes machinery breakdown insurance, machinery breakdown plus loss of profit insurance, civil engineering completed risks insurance and offers coverage for damage to and loss of machinery occurring in the course of construction.

Reasonable premium rate, deductibles and comprehensive insurance coverage are now applied to engineering insurance, and machinery breakdown and loss of profit insurance in particular to cater for the insureds' needs.

Streamlined and client-oriented application and claims process and more favorable terms and conditions proved to be pivotal to the success of engineering insurance.

Based on our experiences in engineering insurance and practical analysis of other insurance companies and in view of tendencies of increased intensity and reduced terms of construction process, the Company will further improve the underwriting skills and offer coverage for larger and special construction projects in support of the civil engineering completed risks insurance so as to expand its position in the engineering insurance market.

## Agriculture Insurance

The agriculture insurance continues to be the major source of income for the Company.

The Company underwrites rice, maize, potato and cash crop cultivated in farms as the main staples.

It also promotes growth of fruit insurance and aquaculture insurance.

The fact that the catastrophic abnormal climate has now become a regular event and public efforts are directed to cope with this, the Company has completed practical study on organizing weather index insurance for county or province as a single unit, which is based on the comprehensive analysis of opinions from farms and of weather data for the past three decades.

At the same time, the Company has completed the practical preparations for the commencement of livestock insurance in 2023 in close co-operation with various livestock production bases and farms, taking into account the difference between property insurance and livestock insurance relating to living organisms.

## Credit Insurance

Credit insurance covers still not only commercial risks prevailing in international trade like importer's bankruptcy or failure of repayment but also non-commercial risks like payment obstacles, ban or restriction on foreign exchange and remittance caused by severe economic turmoil in the debtor's country.

The Company intends to thoroughly implement the credit-first principle by concluding insurance contracts after due consideration of the subjective and objective conditions and settling the claims in a proper and timely manner.

## Travel Insurance

We have a lot of up-to-date recreational facilities such as the Masikryong Ski Resort and the Yangdok Hot Spring Culture Resort and many tourist attractions.

Given the growing number of travellers in the country, travel insurance expects to be on the increase.

Last year the number of travellers reduced to a certain extent due to the counter-measures on COVID-19 in the country, thereby resulting in a decline of premium income in travel insurance.

However, the Company is convinced of the prospects of further development as the material foundation for travel is fully laid in our country.

We intend to have a leading position in the domestic travel insurance business by offering insurance coverage for travellers in close tie with the tourism operators and agents concerned in a foreseeable and reasonable manner.

## Reinsurance Protection

Reinsurance is a necessary condition of the profitability of insurance operations. The major objective of reinsurance is to effect payment of insurance indemnity regardless of the scope of loss.

In order to create the balanced insurance portfolio and ensure financial stability and profitability of insurance operations and efficiency, the Company is arranging adequate protection for the main types of insurance by way of reinsurance to insurance and reinsurance companies at home and abroad.

Our main requirements when choosing a partner for reinsurance are: reliability, solvency, stability and good reputation in the market.

Based on treaty and facultative reinsurance, the Company guarantees quick, effective and reliable protection of our clients.

The Company, as one of its strategic businesses, provides its reinsurance coverage for both facultative risks and treaty programmes, proportional and non-proportional on non-life insurance risks such as property, engineering, crop, personal accident, aviation, marine hull and cargo, liability.

The Company takes the following factors into consideration when it deals with inward reinsurance portfolios.

- to consider each and every contract in multilateral aspect regarding risks and recovery balance.

- to make use of modeling with regard to natural catastrophe risks and assess exposure to risks in quantitative and statistical terms

- to avoid business from politically and financially unsound countries and regions which are very much prone to Cat perils.

## Distribution Network of Insurance Services

The Company operates through 12 regional branches, with 108 local agencies spread across the country and customers can enjoy the insurance protection of the Company in every region.

By virtue of the established agency network, the regional branches render insurance services to the policyholders of all sorts in accordance with standards and innovative sales skills introduced by the Company.

The Company will go on investing in its distribution network and will support the development of those branches that bring a good result.

In particular, considering the high prospects of growth in the domestic insurance market, the Company will remain committed to the strategy of development of the agency network to train professional insurance agents with the intention to provide consultations and sell insurance.

## Structure and Personnel

In accordance with the established business policy, the Company adapts its internal organization to its business development requirements.

Within the Company, the insurance-related activities are performed on functional and territorial principles.

The performance according to the function is organized by the head office of the Company.

The performance upon the territorial principle is organized through the regional branches.

Every staff enjoys the matrix structure of the Company, which strongly contrasts with the conventional hierarchy structures.

# HUMAN RESOURCES

## Driving our Success

Our Company has made a steady progress thanks to the passionate efforts and the constant devotion by all the members of staff.

The spirit of creation backed by talents, enthusiasm and innovation will continue to be a stepping stone for the Company that is geared to the sustainable development in the future.

## Policy

The Company regards human resource management as a top priority and directs great efforts to recruiting and training high-quality and promising talents.

We also encourage each staff and department to share experience and cooperate closely on highly complicated or sensible matters so that we could work them out in a timely manner.

## Performance Management

The Company regards it as a key issue that staff members are regularly evaluated on business performance and nominated to a suitable position.

In addition, the Company sees to it that every staff is given proper assignment and ensures maximal efficiency in business which is subject to monthly evaluation.

## Training

Insurance knowledge and latest science and technology will still be the main pillar in increasing the Company's competitiveness in the future.

The Company puts its main emphasis on ensuring that all the members of staff are provided with sufficient conditions and environment to stay tuned to the latest science and technology and update their knowledge of insurance that conforms with the international insurance market so that they can readily improve their qualifications and practical abilities.

We also keep in constant contact with excellent educational institutions as part of our plans to support teaching programs for our would-be insurance talents.

In particular, we make sure that every newcomer receives the primary professional training course for a certain period of time before they can give full play to their specialties in the Company.

# FINANCIAL STATEMENTS

# Statement of Financial Position

as at December 2022 (KPW)



| ASSET | 2020 | 2021 | 2022 |
|---|---|---|---|
| Cash and cash equivalents | 8,911,269,483 | 9,434,495,890 | 10,292,954,376 |
| Reinsurer's share of insurance contract liabilities | 67,100,551 | 70,896,619 | 68,007,960 |
| Account receivables | 23,018,530 | 15,909,141 | 89,897,979 |
| Deferred acquisition cost | 29,949,298 | 31,418,133 | 40,260,275 |
| Prepayment | 507,127 | 511,205 | 933,064 |
| Property, plant and equipment | 187,832,700 | 180,871,160 | 212,160,573 |
| Intangible assets | 13,071,664 | 13,719,713 | 25,746,477 |
| TOTAL ASSETS | 9,232,749,352 | 9,747,821,861 | 10,729,960,703 |
| LIABILITIES | | | |
| Insurance contract liabilities | 1,086,409,959 | 1,131,871,083 | 1,526,309,158 |
| Provision for unearned premiums | 998,309,959 | 1,047,271,083 | 1,342,009,158 |
| Provisions for outstanding claims | 88,100,000 | 84,600,000 | 184,300,000 |
| Other liabilities | 5,689,538 | 32,231,428 | 5,529,000 |
| TOTAL LIABILITIES | 1,092,099,497 | 1,164,102,511 | 1,531,838,158 |
| EQUITY | | | |
| Paid-up capital | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |
| Organization fund | 2,000,000,000 | 2,000,000,000 | 2,000,000,000 |
| Contingency reserve | 2,000,000,000 | 2,000,000,000 | 2,960,000,000 |
| Retained earnings | 1,140,649,855 | 1,583,719,350 | 1,238,122,545 |
| TOTAL EQUITY | 8,140,649,855 | 8,583,719,350 | 9,198,122,545 |
| TOTAL LIABILITIES AND EQUITY | 9,232,749,352 | 9,747,821,861 | 10,729,960,703 |

# Statement of Income

as at December 2022 (KPW)



| | 2020 | 2021 | 2022 |
|---|---|---|---|
| Net earned premium | 3,133,676,133 | 3,361,195,683 | 3,426,803,995 |
| Gross premium written | 3,351,043,678 | 3,588,359,459 | 3,922,923,360 |
| Change in unearned premium | (102,690,115) | (48,961,124) | (294,738,075) |
| Premiums ceded | (176,128,620) | (181,811,082) | (195,037,631) |
| Change in reinsurer's share of provision for unearned premiums | 61,451,189 | 3,608,430 | (6,343,659) |
| Net claims incurred | (2,675,959,683) | (2,567,206,651) | (2,234,228,930) |
| Gross paid loss | (2,812,201,173) | (2,636,917,520) | (2,206,576,307) |
| Reimbursement of claims for risks ceded to reinsurers | 141,192,128 | 66,023,231 | 68,592,377 |
| Change in outstanding losses | (4,950,638) | 3,687,638 | (96,245,000) |
| Net acquisition costs | (117,415,541) | (142,210,097) | (155,047,950) |
| Net insurance business result | 340,300,908 | 651,778,936 | 1,037,527,115 |
| Other income | 31,005,313 | 31,076,508 | 46,176,877 |
| General and administrative expenses | (46,956,741) | (49,043,022) | (83,236,732) |
| Other expenses | (952,000) | (856,000) | (1,263,000) |
| Profit/loss before payment to state | 323,397,480 | 632,956,422 | 999,204,260 |
| Payment to state | (97,019,244) | (189,886,927) | (249,801,065) |
| PROFIT/LOSS FOR THE PERIOD/YEAR | 226,378,236 | 443,069,495 | 749,403,195 |

# Statement of Changes in Equity

as at December 2022 (KPW)



| | Paid-up capital | Organization fund | Contingency reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|
| Balance as 1st January 2020 | 3,000,000,000 | 2,000,000,000 | 2,000,000,000 | 914,271,619 | 7,914,271,619 |
| Profit/loss for the period/year | - | - | - | 226,378,236 | 226,378,236 |
| Transfer to contingency reserve | - | - | - | - | - |
| Dividends relating to prior periods paid during the year | - | - | - | - | - |
| Balance as of 31st December 2020 | 3,000,000,000 | 2,000,000,000 | 2,000,000,000 | 1,140,649,855 | 8,140,649,855 |
| Balance as 1st January 2021 | 3,000,000,000 | 2,000,000,000 | 2,000,000,000 | 1,140,649,855 | 8,140,649,855 |
| Profit/loss for the period/year | - | - | - | 443,069,495 | 443,069,495 |
| Transfer to contingency reserve | - | - | - | - | - |
| Dividends relating to prior periods paid during the year | - | - | - | - | - |
| Balance as of 31st December 2021 | 3,000,000,000 | 2,000,000,000 | 2,000,000,000 | 1,583,719,350 | 8,583,719,350 |
| Balance as 1st January 2022 | 3,000,000,000 | 2,000,000,000 | 2,000,000,000 | 1,583,719,350 | 8,583,719,350 |
| Profit/loss for the period/year | - | - | - | 749,403,195 | 749,403,195 |
| Transfer to contingency reserve | - | - | 960,000,000 | (960,000,000) | - |
| Dividends relating to prior periods paid during the year | - | - | - | (135,000,000) | (135,000,000) |
| Balance as of 31st December 2022 | 3,000,000,000 | 2,000,000,000 | 2,960,000,000 | 1,238,122,545 | 9,198,122,545 |

# Statement of Cash Flows

as at December 2022 (KPW)

| | 2020 | 2021 | 2022 |
|---|---|---|---|
| Operating activities | | | |
| Cash generated from operations | 246,207,160 | 716,863,369 | 1,296,848,187 |
| Payment to state | (97,019,244) | (189,886,927) | (249,801,065) |
| Net cash flows from operating activities | 149,187,916 | 526,976,442 | 1,047,047,122 |
| Investing activities | | | |
| Purchase of property, plant and equipment | (1,526,300) | (1,660,690) | (39,911,643) |
| Purchase of intangible assets | (1,000,000) | (2,089,345) | (13,676,994) |
| Net cash flows from investing activities | (2,526,300) | (3,750,035) | (53,588,637) |
| Financial activities | | | |
| Net borrowing | - | - | - |
| Dividends paid | - | - | (135,000,000) |
| Net cash flows from investing activities | - | - | (135,000,000) |
| Net change in cash and cash equivalents | 146,661,616 | 523,226,407 | 858,458,485 |
| Cash and cash equivalents at beginning of year | 8,764,607,867 | 8,911,269,483 | 9,434,495,890 |
| Cash and cash equivalents at end of year | 8,911,269,483 | 9,434,495,890 | 10,292,954,376 |

To CEO of Polestar Insurance Company

## Report on the Financial Statements

We have audited the accompanying financial statements of Polestar Insurance Company ("the Company").

These financial statements comprise the Balance Sheet as at 31st December 2022 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended as set out below.

**The Company's responsibility for the financial statements**

The Company is responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with the requirements of the Financial Law, Accounting Law and Auditing Law of DPR Korea.

**Auditor's responsibility**

Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Law of DPK Korea on Auditing.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Auditor's opinion**

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of Polestar Insurance Company ("the Company") as at 31st December 2022, and of the Company's Income, Changes in Equity and Cash Flow for the year then ended in accordance with the Law of DPK Korea on Auditing.

Han Myong Il
Director
Pyongyang Office of Auditors of DPR Korea

O Un Hyang
Manager
Pyonyang Office of Auditors of DPR Korea

Pyongyang, 12th April, 2023

When lost in the dark, you always need a GUIDING STAR
Please feel free to contact us, if interested.
Polestar Insurance Company
Kallimgil-Dong No.2.
Mangyongdae District.
Pyongyang, DPRK.
850 2 18111 ext. 3818623. Tel
Polestar.ins@silibank.net.kp. E-mail
www.naenara.com.kp/sites/polestar Web